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UNCLAS TEGUCIGALPA 001332

SIPDIS

DEPT. FOR WHA/PD; IIP/G/WHA DIPASQUALE; AND IIP/T/ES
DEPT. FOR PM AND EB/TRA
DEPT. FOR WHA/EPSC, WHA/PPC AND WHA/CEN

E.O. 12958: N/A

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SUBJECT: MEDIA REACTION ON DEBT FORGIVENESS, JUNE 22, 2005

1. On 6/21 the San Pedro Sula-based liberal daily "La Prensa" published an editorial entitled "External debt forgiveness." "In the last few days the country has accomplished a great triumph. The annual payments that the country had with international organizations and countries will substantially decrease. Once the relief arrives it will be time to finance activities destined exclusively to fight poverty and monitor the good use of these resources that were destined to pay debt and will also be equally collected."

"We have to remind Honduran officials that the credit countries have made a just plan. These countries, through their agencies and officials, have known for a long time where the loans and technical aid they gave us have ended up. They know that on several occasions the credit procedures have failed."

"An indebted and bankrupt country can't buy automobiles, trucks, industrial equipment or new technology. It becomes a producer of violence, immigrants and crime. The industrialized countries' decision was the surest one for their interests and ours. It will only be necessary to know if we will learn this lesson to avoid again falling into this new unpayable debt carousel in a few years."

2. The San Pedro Sula-based liberal daily "Tiempo" carried an op-ed by Omar Edgardo Rivera entitled "Debt forgiveness: erased and final chapter PART II." "However, some specialists believe that all this talk about the foreign debt relief for the poor countries of the world is nothing more than a publicity stunt by the rich countries and the international finance organizations."

"In reality, what we are talking about here, and this is the key word, is an announcement of debt relief which is not the same as saying that it has already been relieved. What is being said is that there will probably be relief and that it will be subject to compliance with the Letter of Intentions, the conditions established by each creditor country, and a frontal attack against corruption."

"And the complexity and confusion grows when in the heat of political rhetoric, politicians use the issue to attract supporters and gain advantages in the struggle to retain or take power."

"In short, the issue begins to become covered in silt, and instead of thinking about how to take advantage of this historical juncture, we begin to build obstacles that will compromise the effectiveness of the clemency measure by the international finance organizations and the economic empires of the world."

"The fact that we have been classified as a highly indebted poor country is not a good thing, what's more, it is embarrassing. And any serious leader that is dedicated to his people must in the medium and long-term fight to reverse this ranking and turn Honduras into a prosperous and solvent nation. We must not allow history to repeat itself."

"From now on, the final word has been spoken; that the vices and thievery of the past disappear."

3. The Tegucigalpa-based moderate daily "El Heraldo" carried an op-ed by Graco Perez entitled "Debt forgiveness, truth and lies." "The announcements of the possible debt forgiveness and funds from MCC have taken most of President Maduro's declaration. It's undeniable that any relief reduces the links of the long chain that Hondurans carry but it is also true that few have had some of the benefit that took us into so much debt. It's known who is condemned, the whole population but it's not known who is really forgiven." "The debt forgiveness means that our country isn't capable of honoring its debts, we have lost credibility to fulfill our payment obligations. Honduras has become a poor, heavily indebted country, or as many prefer to say, a poor country without payment capacity." "While the issue becomes a flag for political campaigns, Maduro will use it to improve his deteriorated image, raise

his international profile and boost his IADB presidential candidacy. Like the gas problem, a national problem that puts him on international stage to free himself of responsibility and be able to be a protagonist. 'The table is served,' but for the groups in power and for the Honduran people the plate is empty. We need to get the story straight, no more lies."

Palmer